

To: Rate Increase Announced for Carefree Residents using the Liberty/Black Mountain Sewer System

Liberty Utilities (Black Mountain Sewer) Corporation recently published their Arizona Corporation Commission (ACC) approved “New Rates & Surcharge Implementations”, effective June 1, 2021. About 1,250 of their 2,250 rate payers reside in Carefree. The new monthly residential rates will be \$87.99/month, plus a surcharge of \$3.71/month for four years, for a total monthly billing of \$91.70. Commercial rates will also increase proportionately.

Liberty/Black Mountain estimates that about 85% -90% of this \$12.50/month rate increase for residential customers will result from the decommissioning and 2019 closure of the sewer treatment plant which was located in the Boulders subdivision.

Boulders residents had long complained that the odors and noises emanating from this plant negatively impacted the quality of life in the Boulders. Approximately 360 Boulder’s residents sought and received the Town’s support to request that the plant be decommissioned and closed. The Town responded by taking the leadership posture and incurred significant legal expenses in the effort to gain the closure of this plant. The Town believed, and continues to believe, that protecting the health, safety and welfare of every one of our residents is of primary importance.

Liberty Utilities/Black Mountain has repeatedly stated that this plant could have continued to operate many years into the future in full compliance of all currently established regulations. However, the problems would have continued. While the closure costs were significant, the ACC agreed with the Town’s recommendation to close it to eliminate the problems it was causing.

The Town recently participated in the extensive rate increase request proceedings before the ACC, which included in-depth cost reviews, testimonies from expert witnesses and public input. While Carefree always supports the lowest utility rate increases for the Town’s residents and businesses, the Town believes that, given the substantial investment by Liberty/Black Mountain to close the plant, that the new rates which were approved by the ACC represent a fair and equitable resolution for all involved parties.